

North Dakota Tax Filers Receiving the Earned Income Tax Credit (EITC): 2000 to 2006

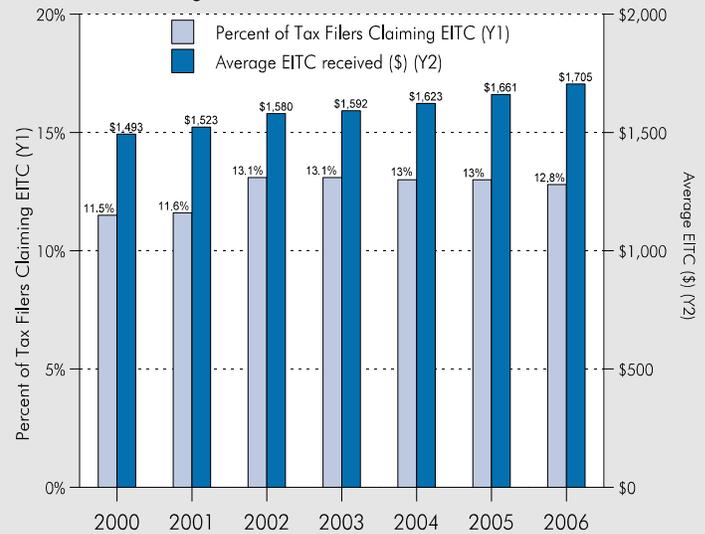
The federal Earned Income Tax Credit (EITC) is an antipoverty program for working individuals and families. The EITC reduces the amount of taxes owed and may also provide a refund. In 2006, 12.8 percent of all North Dakota tax filers claimed the EITC, little change from 13.0 percent in 2005 (Figure 1). Nationwide, 15.9 percent of tax filers claimed the EITC in 2006, down from 16.9 percent in 2005 (Table 1).

Depending on income and family structure, tax filers may claim an EITC, the value of which could range from \$1 to \$4,400. In 2006, the average EITC credit that North Dakota EITC filers received was \$1,705 (Figure 2), up 2.6 percent from \$1,661 in 2005. Nationwide, the average credit that EITC filers received in 2006 was \$1,979, up 2.4 percent from \$1,932 in 2005.

For most taxpayers who claim the EITC and receive a tax refund, the EITC comprises the largest portion of those refunds (taxpayers may claim other credits that add to their refunds). In 2006, 59.4 percent of refunds received by North Dakota taxpayers claiming the EITC were composed of EITC dollars. This proportion has declined steadily from 72.8 percent in 2000.

Of North Dakota tax filers claiming the EITC in 2006, 27.6 percent also claimed the Child Tax Credit. Those North Dakota families receiving the Child Tax Credit received, on average, a child tax credit of \$618 in 2006.

Figure 1. Average Earned Income Tax Credit (EITC) and the Percent of Tax Filers Claiming EITC: 2000 to 2006



Source: The Brookings Institution, Metropolitan Policy Program, Earned Income Tax Credit Series, www.brookings.edu/metro/EITC/EITC-Homepage.aspx

Figure 2. Average Earned Income Tax Credit (EITC) Received by North Dakota Tax Filers by County: 2006

Source: The Brookings Institution, Metropolitan Policy Program, Earned Income Tax Credit Series, www.brookings.edu/metro/EITC/EITC-Homepage.aspx

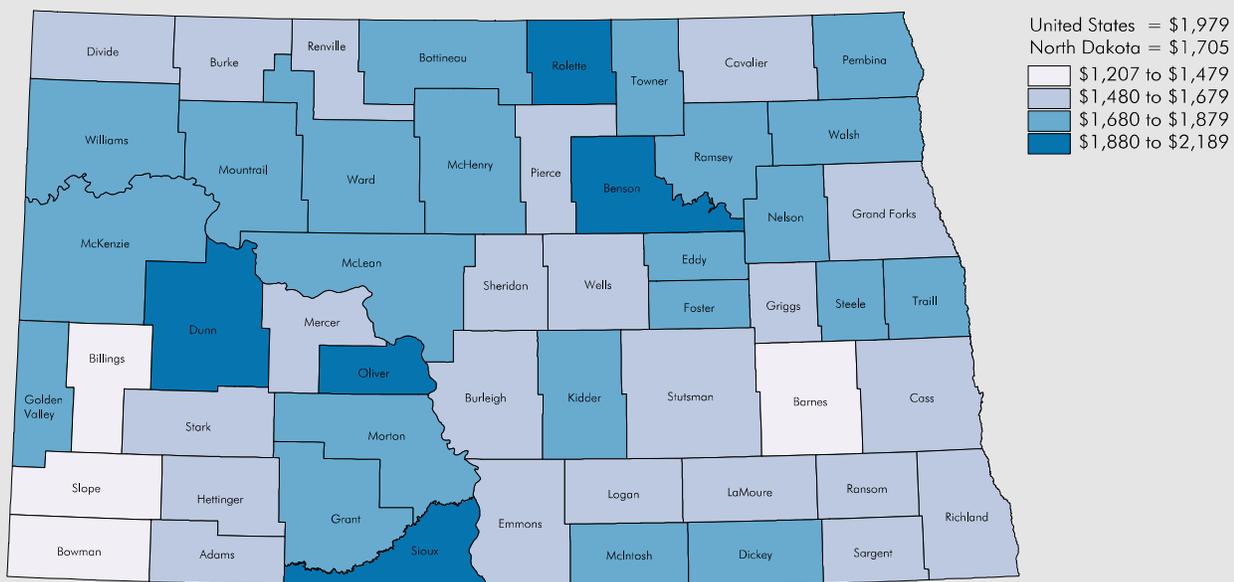


Table 1. North Dakota Tax Filers Receiving the Earned Income Tax Credit (EITC) as a Percent of All Tax Filers: 2000 to 2006

Source: The Brookings Institution, Metropolitan Policy Program, Earned Income Tax Credit Series, www.brookings.edu/metro/EITC/EITC-Homepage.aspx

| United States and North Dakota Counties | Tax Filers Receiving the EITC as Percent of All Tax Filers | | | | | | | 2006 Tax Filers Receiving the EITC |
|---|--|-------|-------|-------|-------|-------|-------|------------------------------------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | |
| United States | 14.7% | 15.0% | 16.5% | 16.8% | 16.8% | 16.9% | 15.9% | 23,116,759 |
| North Dakota | 11.5% | 11.6% | 13.1% | 13.1% | 13.0% | 13.0% | 12.8% | 39,557 |
| Adams | 13.5% | 12.2% | 15.0% | 14.8% | 16.4% | 14.2% | 11.7% | 133 |
| Barnes | 11.4% | 11.7% | 13.1% | 12.6% | 12.7% | 12.9% | 12.7% | 667 |
| Benson | 32.9% | 34.0% | 36.0% | 36.7% | 36.9% | 37.9% | 36.7% | 959 |
| Billings | 8.8% | 6.3% | 9.9% | 11.4% | 10.6% | 10.8% | 10.6% | 36 |
| Bottineau | 11.5% | 11.0% | 13.3% | 12.9% | 12.9% | 12.1% | 12.0% | 385 |
| Bowman | 10.3% | 9.3% | 12.5% | 11.6% | 10.1% | 9.7% | 9.4% | 160 |
| Burke | 10.8% | 10.0% | 11.5% | 12.7% | 10.7% | 8.7% | 9.4% | 98 |
| Burleigh | 9.4% | 9.4% | 10.1% | 10.4% | 10.4% | 10.6% | 10.4% | 3,954 |
| Cass | 8.8% | 9.2% | 10.1% | 10.2% | 10.2% | 10.5% | 10.7% | 7,207 |
| Cavalier | 7.8% | 8.5% | 10.1% | 9.3% | 9.9% | 11.1% | 9.7% | 203 |
| Dickey | 10.3% | 11.4% | 13.0% | 12.7% | 12.4% | 11.9% | 12.4% | 306 |
| Divide | 12.7% | 12.9% | 14.2% | 14.9% | 11.6% | 12.6% | 11.1% | 112 |
| Dunn | 13.8% | 15.2% | 18.3% | 17.0% | 16.4% | 15.6% | 13.2% | 188 |
| Eddy | 12.6% | 14.2% | 16.4% | 15.6% | 15.9% | 16.5% | 16.0% | 180 |
| Emmons | 14.8% | 14.3% | 18.0% | 17.3% | 17.8% | 16.2% | 15.6% | 250 |
| Foster | 10.6% | 10.7% | 10.9% | 10.1% | 10.6% | 11.7% | 11.3% | 195 |
| Golden Valley | 12.8% | 11.9% | 12.7% | 14.0% | 13.9% | 14.4% | 14.3% | 120 |
| Grand Forks | 10.2% | 10.0% | 12.4% | 12.2% | 11.9% | 12.2% | 12.4% | 3,711 |
| Grant | 15.2% | 14.6% | 18.2% | 17.1% | 16.8% | 15.9% | 15.5% | 174 |
| Griggs | 9.5% | 8.0% | 10.4% | 9.4% | 10.4% | 10.2% | 11.2% | 138 |
| Hettinger | 11.1% | 10.4% | 13.6% | 12.7% | 12.5% | 12.9% | 13.6% | 177 |
| Kidder | 15.6% | 14.9% | 16.8% | 15.8% | 16.9% | 15.9% | 15.5% | 169 |
| LaMoure | 9.4% | 10.3% | 13.1% | 11.4% | 10.8% | 10.1% | 9.8% | 200 |
| Logan | 15.8% | 14.2% | 18.2% | 17.7% | 18.0% | 16.1% | 14.9% | 133 |
| McHenry | 14.1% | 13.9% | 16.2% | 15.6% | 15.7% | 15.7% | 14.8% | 388 |
| McIntosh | 12.3% | 11.5% | 15.1% | 13.5% | 13.8% | 13.8% | 13.5% | 188 |
| McKenzie | 14.7% | 14.9% | 17.2% | 17.7% | 16.3% | 16.5% | 15.4% | 326 |
| McLean | 12.3% | 12.1% | 13.7% | 13.8% | 14.3% | 13.6% | 12.6% | 541 |
| Mercer | 7.8% | 7.6% | 8.8% | 9.0% | 8.2% | 7.9% | 7.8% | 319 |
| Morton | 12.2% | 12.0% | 13.7% | 13.8% | 13.3% | 13.0% | 12.7% | 1,644 |
| Mountrail | 22.6% | 21.3% | 23.0% | 23.0% | 24.3% | 22.8% | 23.1% | 768 |
| Nelson | 10.9% | 11.5% | 13.1% | 11.9% | 12.8% | 12.4% | 11.8% | 207 |
| Oliver | 8.0% | 7.0% | 9.8% | 9.6% | 8.8% | 8.6% | 8.1% | 71 |
| Pembina | 8.6% | 8.1% | 10.6% | 9.9% | 10.2% | 10.7% | 9.7% | 386 |
| Pierce | 13.4% | 14.1% | 14.1% | 13.6% | 15.0% | 15.7% | 15.3% | 310 |
| Ramsey | 13.5% | 13.8% | 14.7% | 14.3% | 14.8% | 15.0% | 14.8% | 820 |
| Ransom | 8.5% | 8.2% | 9.6% | 9.1% | 9.6% | 10.2% | 9.8% | 264 |
| Renville | 10.5% | 9.5% | 13.2% | 12.7% | 12.1% | 11.7% | 11.4% | 119 |
| Richland | 9.6% | 9.9% | 11.3% | 11.2% | 11.3% | 11.5% | 10.9% | 857 |
| Rolette | 37.8% | 38.3% | 39.8% | 40.0% | 40.9% | 40.5% | 40.6% | 2,132 |
| Sargent | 7.1% | 7.8% | 8.8% | 9.1% | 8.7% | 8.3% | 8.6% | 169 |
| Sheridan | 15.2% | 15.1% | 17.4% | 16.5% | 14.9% | 14.1% | 13.7% | 104 |
| Sioux | 46.3% | 44.6% | 47.0% | 47.2% | 47.8% | 49.4% | 48.8% | 645 |
| Slope | 15.5% | 14.3% | 19.4% | 15.3% | 12.5% | 15.1% | 15.9% | 24 |
| Stark | 12.7% | 12.3% | 14.1% | 14.4% | 13.9% | 13.1% | 12.0% | 1,352 |
| Steele | 9.8% | 9.5% | 10.2% | 9.6% | 10.2% | 10.6% | 10.4% | 81 |
| Stutsman | 12.3% | 12.7% | 13.7% | 13.8% | 14.2% | 14.0% | 13.6% | 1,321 |
| Towner | 10.9% | 11.4% | 12.7% | 13.3% | 13.3% | 12.7% | 13.4% | 166 |
| Traill | 8.2% | 8.1% | 9.8% | 9.7% | 9.4% | 8.4% | 9.0% | 358 |
| Walsh | 11.3% | 11.4% | 13.3% | 13.4% | 13.4% | 13.9% | 13.6% | 745 |
| Ward | 11.5% | 11.7% | 13.9% | 13.8% | 13.7% | 13.8% | 13.6% | 3,815 |
| Wells | 10.7% | 11.4% | 14.1% | 13.1% | 13.1% | 13.0% | 13.3% | 287 |
| Williams | 14.1% | 13.5% | 15.4% | 15.6% | 14.7% | 13.6% | 12.6% | 1,295 |

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Little Change in the Number of North Dakota Tax Filers Receiving the Federal Earned Income Tax Credit

The federal Earned Income Tax Credit (EITC) is an antipoverty program for working individuals and families. The EITC reduces the amount of taxes owed and also may provide a refund. In 2006, 12.8 percent of all North Dakota tax filers claimed the EITC, a proportion relatively unchanged from 13.0 percent in 2005.

“The relative stability in North Dakota’s EITC recipients reflects the strong economy the state has been enjoying throughout the decade. Nonetheless, this program has been a very effective policy approach to assisting low-income working families and individuals supplement their earnings,” said Richard Rathge, Director of the State Data Center.

Nationwide, 15.9 percent of tax filers claimed the EITC in 2006, down from 16.6 percent in 2005.

This month’s “Population Bulletin,” a monthly publication from the North Dakota State Data Center at North Dakota State University, focuses on Earned Income Tax Credit (EITC) data released from The Brookings Institution’s Metropolitan Policy Program (www.brookings.edu/metro/EITC/EITC-Homepage.aspx).

Depending on income and family structure, tax filers may claim an EITC, the value of which could range from \$1 to \$4,400. In 2006, the average EITC credit that North Dakota EITC filers received was \$1,705, up 2.6 percent from \$1,661 in 2005. Nationwide, the average credit that EITC filers received in 2006 was \$1,979, up 2.4 percent from \$1,932 in 2005.

For most taxpayers who claim the EITC and receive a tax refund, the EITC comprises the largest portion of those refunds. Taxpayers may claim other credits, such as the Child Tax Credit, the Child and Dependent Care Tax Credit, and Education Credits that add to their refunds. However, in 2006, 59.4 percent of refunds received by North Dakota taxpayers claiming the EITC were composed of EITC dollars. This proportion has declined steadily from 72.8 percent in 2000.

Of North Dakota tax filers claiming the EITC in 2006, 27.6 percent also claimed the Child Tax Credit. Those North Dakota families receiving the Child Tax Credit received, on average, a child tax credit of \$618 in 2006.
